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22 AUG 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Robert M. Gates
Deputy Director for Intelligence

SUBJECT: The Economic Burden of the Soviet Battlefield
Development Plan

1. Following your recent visit with Bill Odom, you asked for information regarding the Soviet economy's ability to support "The Soviet Battlefield Development Plan (SBDP)." As you may know, this eight-volume document is the US Army's assessment of the current capabilities, thinking and doctrine of the Soviet military. It provides a long-range view of future Soviet force development to help guide the US Army in its own force development plans. We have had a direct hand in the estimates and analysis contained in the document through development of the Land Armaments Management Model (LAMM). The SBDP also relies extensively on recent CIA assessments of Soviet economic performance--both present and future--and trends in Soviet defense spending as they relate to future force development. The document also contains an alternative picture of the Soviet resource commitment to defense as viewed by DIA. [redacted]

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2. In its discussion of future force development, the SBDP focuses exclusively on Soviet ground forces systems. It forecasts substantial modernization efforts across a broad spectrum of weapon categories - tanks, self-propelled artillery, short and intermediate range ballistic missiles, and air defense weapons. The resources required to produce these projected weapon systems will have a significant impact on the economy as a whole and the industrial sectors of the economy in particular. Of course, the systems included in the SBDP projections constitute only one area of future military demand on the Soviet industrial base which must also accommodate the future military requirements for the other four military services - Navy, Air Force, Air Defense, and Strategic Rocket Forces. [redacted]

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3. General Odom's skepticism about the economic viability of the force projections contained in the SBDP may in fact stem from our own assessments which are cited in the document. For example, Volume II of the 1984 edition,

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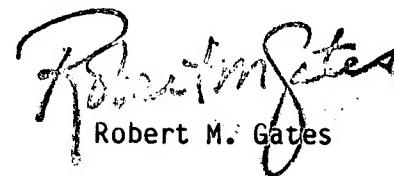
"The Organization of the Home Front for Support of a General War" [redacted] discusses the recently observed slowdown in Soviet defense spending since the mid 1970s - a time when overall economic performance had also turned sluggish. The document goes on to note that the military "burden" is particularly heavy in the machinebuilding and metallurgy sectors - areas which are also critical to future economic growth. The implication of these force development trends across a broad spectrum of conventional and strategic systems would, in our view as well as that of Army Intelligence, necessarily result in an increasingly heavy drain of important resources - skilled labor, high quality plant and equipment, raw materials, and energy--from other sectors of the economy. [redacted]

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4. While we are confident that force improvements will continue to be made in both conventional and strategic armaments, we do not believe all the systems currently under development and those projected will eventually be introduced, or that those introduced into the forces will appear in concert. The difficulty that arises--and for which we as yet have no analytical solution--is to determine which programs are most likely to be pursued, and at what pace they will be produced. If the Ground Forces do modernize at the rapid rates forecast by the Army in the SBDP, it will have to be achieved at the expense of some of the other services--an occurrence we believe unlikely--or overall defense spending will have to grow faster than recent experience. The last two years of somewhat faster growth of Soviet GNP and industrial output relieves this pressure a bit, but if our assessment of slow economic growth over the decade as a whole remains correct, then the dilemma for the Soviets remains. [redacted]

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20 July 1984

MEMORANDUM FOR: Deputy Director for Intelligence
FROM: Director of Central Intelligence
SUBJECT: Soviet Battlefield Management Plan

In my visit with Bill Odom he expressed great interest and skepticism in the ability of the Soviet economy to carry the Soviet Battlefield Management Plan. I would like to know something about that.

C

William J. Casey



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EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI	X			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
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16	SA/IA				
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SUSPENSE		27 July 1984			
Date					

Remarks

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D/Executive Secretary
23 July 1984

Date

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Executive Registry
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